



MINUTES

Airport Advisory Commission

July 21, 2004

COMMISSIONERS PRESENT: Kenneth P. Chalfant – Chairman
Stephen Ducoff – Vice Chairman
Bud Breckner
Lynn French
Bernie Herpin
Dennis Weber

COMMISSIONERS ABSENT: Patsy Buchwald

NON-VOTING MEMBERS PRESENT: Gregory Timm, Alternate Commissioner
George Sugars, El Paso County DOT

NON-VOTING MEMBERS ABSENT: Chuck Brown, El Paso County Commissioner
Rob MacDonald, Pikes Peak Area Council
of Governments (PPCAG)

CITY STAFF PRESENT: Mark Earle, Aviation Director
Rick Gorman, Asst. Aviation Director-Finance & Admin
Wendell R. Hawkins, Sr. Airport Operations Agent
Steve Hook, Assistant City Attorney
Erica Hupp, Community Relations Manager
John McGinley, Asst. Aviation Director, Ops & Maintenance
Michele Golley, Senior Office Specialist

GUESTS PRESENT: Larry Bruno, Federal Security Director
Lt Col John Linn, 21MSG, Peterson AFB
Wayne Heilman, Gazette Telegraph
Mark Entrekin, Pike's Peak Transportation Coalition
Brian Towle, TSA

CHAIRMAN CHALFANT CALLED THE MEETING TO ORDER AT 3:05 PM

1. APPROVAL OF THE JUNE 16, 2004, MINUTES:

- ➔ Commissioner Chalfant asked for review of the July 21, 2004 Airport Advisory Commission minutes. Commissioner Herpin made the motion to approve the minutes as written. Commissioner Weber seconded the motion. Motion carried by unanimous vote.

2. PUBLIC OR CITIZEN GROUP COMMENTS: None

3. GENERAL BUSINESS

➔ **Land Use Items – John McGinley**

There was an open question from the last meeting pertaining to the intended use of El Paso County File Name ID-04-005. It will be a mix of residential and business use. The County did not have further detail at this time but assured the Airport that they would re-submit the item when the developer submits its land use proposal.

The following land use items were reviewed:

- El Paso County File Name ID-03-002
- Buckslip File No. AR PFP 04-00404
- Buckslip File No. AR DP 04-00320
- Buckslip File No. AR FP 04-00367
- Buckslip File No. CPC PUZ 04-00214
- Buckslip File No. CPC PUD 04-00215
- Buckslip File No. CPC MP 04-00213
- El Paso County File Name BOA-04-008
- El Paso County File Name ANX-04-001
- Buckslip File No. AR DP 04-00321

The Airport has no objections to the first two items.

Items three through seven and nine have no impact on noise or height restrictions. The Airport has no objection subject to an executed aviation easement.

Item 8 pertains to the Banning Lewis Ranch. It was annexed in 1988, but parts of it were left out of the annexation at the time. Capital Pacific Holdings wants to annex those pieces. A small piece of Item 9 within this area penetrates the 65DNL. The Airport recommends no objection as long as there is no residential development in that 65DNL area. There is currently a road in that location.

A new format for the land use items was presented to the commission. Each land use item up for consideration will have a data sheet and, on the other side, a close-up map. The package is accompanied by a master map. The commissioners were pleased with the format and approved it for future use. Because of the amount of information shown, these items will be mailed to the commissioners via regular mail prior to each meeting.

Commissioner Breckner motioned to accept airport staff recommendations. Commissioner French seconded the motion. The motion was carried by a unanimous vote.

4. STAFF REPORTS

→ Community Relations – Erica Hupp

- ◆ Erica Hupp thanked everyone present for the feedback on the web site. It will be launched next Monday, July 26.

→ Traffic Report – Erica Hupp

- ◆ Airport enplanements for June were up 6.7%. Business was so good that we've actually had complaints that the airport was too busy! Enplanements were at 99,454 for June 2004 and 93,174 for June 2003. Year-to-date, the airport was up 3.2%, with 500,284 enplanements in 2004 versus 484,553 in 2003. We are a little below the national average, which was up 9.3% for the month.
- ◆ Allegiant was down 11.4% in enplanements, and their landed weight was down 16.2% in June. This is mostly due to seasonal factors, because they are down by two flights a week.
- ◆ American Airlines continues to be down, but not as much as they were in the previous month. They are down 11.9% in enplanements and 12.7% in landed weight in June, resulting in year-to-date reductions of 18.7% in enplanements and 29.7% in landed weight. Their load factor was 72.7% for June and 63.4% for the year. They are still running the same number of flights, but with smaller aircraft, which is why the landed weight is still down. Mark Earle pointed out that we should not be alarmed at month-to-month numbers with American Airlines because of the change in operation that occurred last year. In October, we should be able to start seeing a more valid comparison.
- ◆ Northwest Airlines had a phenomenal month, with June enplanements up 48.1%, and year-to-date enplanements up 3.9%. Their landed weight was up 37.3% for the month, and 6.0% year to date. Their load factors were 82% for June, and 69.4% year to date. They are up 4.5 flights a week.
- ◆ Delta also had a good month, with a 19.1% increase in enplanements for June, and a 25.5% increase in enplanements year to date. Landed weight was up 13.0% for June and 26.2% year to date. Delta has added three weekly flights since last year, which helps explain their increase in enplanements and landed weight. Their load factor was 61.2%.
- ◆ Commissioner Timm asked how many flights fly into and out of the Colorado Springs Airport on a daily basis. Erica Hupp replied that there are about 50 flights. Mark Earle pointed out that an arrival and a departure together equal one flight. Typically, when comparing airports, it is departures that are counted.
- ◆ Commissioner Herpin asked what impact, if any, there might be on the Airport in light of the discussions of possible bankruptcy for Delta Air Lines. Rick Gorman replied that Delta is current on their payments and that we have a performance bond in the amount of two months of rates and charges available to us. If an airline gets about 30 days behind in payments, we start to push our collection efforts hard, but we do have that bond as a backup. Very often, airlines become slow or delinquent in their payments prior to a declaration of bankruptcy, but our goal is to prevent any airline from getting behind more than the amount covered by the performance bond.

➔ Finance Report-Rick Gorman

- ◆ Airport revenue year to date through May is \$8.4 million. Last year through May, revenue was \$8.17 million. This is an increase of about \$264,000, or 3.2% over 2003. The following items contributed to where we are now:
 - ❑ We are virtually breaking even on airline revenue. Landing fees are up about 4.5%, but are offset by slightly lower terminal rents and lower non-preferential gate charges.
 - ❑ In the terminal concession area, we are down about 1.0% from last year. Primarily, that has to do with our advertising being lower and the pay phone contract. We had a minimum guarantee in our pay phone agreement last year, but when we renewed the agreement, a minimum guarantee was not possible. Pay phone business is virtually going away due to cell phones. We receive a percentage of gross on the telephone use. This explains the drop in revenues from other concession areas.
 - ❑ With enplanements up, higher activity has generated more revenue from food and beverage and retail sales.
 - ❑ In the terminal area, rental cars are up \$91,000 year to date. This not only results from higher enplanements, but also from higher minimum guarantees on our contracts.
 - ❑ General aviation was up \$22,000 over last year. Primarily, that comes from fuel sales.
 - ❑ Interest income is up \$154,000. We have a slightly higher earning balance and rates, but primarily this has to do with the timing of payments we receive.
 - ❑ A discussion followed regarding the airline income being down by about \$500,000 in May. Commissioner Herpin asked if that was also a timing issue. Rick Gorman replied that this actually is the result of the implementation of a new lease management system. In the transition, there was double posting in April. It self corrected in May, making May figures low. In spite of unusual monthly entries, the year-to-date numbers are accurate.
- ◆ Expenses for the year are \$7.185 million, which is \$497,000 lower than last year's \$7.682 million, or 6.5%. The following factors contributed to reduced expenses:
 - ❑ Lower repairs and maintenance, advertising, equipment, and capital outlays: Last year, the Airport spent \$100,000 to upgrade the carpeting in the lower level baggage claim area, and this year we have not incurred that expense. We are also re-evaluating the amount of money spent on radio, print ads, and television advertising, and did not spend as much as last year. Last year, the Airport spent about \$106,000 in equipment for a new phone switch and to upgrade roadway signs. One-time purchases made last year are therefore in part responsible for the reduction in spending this year. After 9/11, we postponed a number of expenditures in 2002, so some of the 2003 outlays reflect catch-up projects.
 - ❑ Like everyone, we are paying higher utility rates, and our expenses are about \$35,000 higher this year.

- ◆ Overall, our revenues are higher than last year, and our expenses are lower, so this is a good financial report.
- ◆ Ken Chalfant asked about the status of the Cukjati contract. Erica Hupp replied that after this year we have the option of two more renewals. At the end of the calendar year, we can either put the contract out for bid or renew it — twice.

➔ **Project Development – Rick Gorman**

- ◆ The most visible project is the terminal expansion. We have been tearing out concrete to relocate transformers so that we can build over them. The utility relocation aspect of the terminal expansion is probably one of the biggest and most complicated parts of the project. It involves cutting services, moving equipment to another location, and reconnecting it to restore services. The electrical power shift will begin around 8/1. We are starting to explain the impact to our tenants so they know what to expect. We expect a minimum impact. Actual construction should begin in about a month. Gate 5A is no longer in use and is surrounded by a temporary wall to hide the construction. The moving sidewalk will eventually be removed (and not replaced) because it is located in the middle of what will become the food court.
- ◆ With respect to the airfield, we are starting the grading to extend Taxiway C from Taxiway C2 to Taxiway B2 and mobilizing a concrete plant. The General Aviation holding bay will be under construction at the same time.
- ◆ The Airport has put the Taxiway H extension out for bid and should receive bids in about a week. We want this construction to be complete before the cold weather. One of the biggest challenges with the airfield projects is concern with the Alkali Silicon Reaction. There is a push to have the pavement mix tested, which adds a new dimension to paving projects.
- ◆ The Airport has a major Request for Proposal for engineering services for four projects which we should start evaluating next week:
 - ❑ We will be hiring a design firm that will be responsible for the design of the rehabilitation of the east runway. That is a major project for which the FAA has committed \$30 million, of which we received a \$5 million grant in the last two weeks.
 - ❑ We have package to design and evaluate the phasing of Taxiway E and all of the other supporting taxiways that serve the east runway. The east runway will be rehabilitated in 2006, but we also have other pavement issues we need to work on in the longer term.
 - ❑ Another package deals with identifying a design firm for the west aviation development area, which includes the old terminal area. We have several tenants there who are starting some construction, and the airport is committed to providing the infrastructure in the form of access roads and taxi lanes.
 - ❑ There is a similar package on the east side in support of planned development. We want to be sure that there is a design firm on board to work on the east side should a large development express interest in building in this aviation-related area.

- ◆ With respect to the business park, the Airport will be holding an open house at the Homewood Suites from 5:00 PM to 7:00 PM on Tuesday, July 27 to get feedback on the business park plan. Erica Hupp said that there will be ads in the Gazette (one this week and one Sunday), and in the Independent. Hard copy post cards will be sent to surrounding neighborhoods, and soft copy invitations have also gone out to interested parties. She will send out a press release on July 22.
- ◆ The parking and rental car package is out for bid with bids due July 28. We intend to start construction in mid to late August. Rick Gorman will be working with John McGinley and Erica Hupp to put together a package to share with the public regarding the closure of short term parking and the re-routing of traffic. We can expect some confusion but will do our best to minimize it. This will be the most challenging project with respect to coordination with the traveling public.

➔ **Operations and Maintenance – John McGinley**

- ◆ The “Opt-out” program (Screening Partnership Program).
 - ❑ The Air Transportation Security Act allows airports the opportunity to “opt out” of the federal security screening program, which allows them to choose private security companies to conduct screening operations.
 - ❑ A test program has been completed, and the TSA has now issued guidelines and offered them to airports.
 - ❑ The program gives the airports two choices: hire a private screening company or use airport employees. In either case, screening employees would come under the direction and supervision of TSA. Only the screeners, lead screeners, and supervisors would be replaced by contract employees. The Federal Security Director and other staff and management would remain in place. Current personnel would be given hiring priority, and the contractor would have to pay the same salary and benefits as TSA. Airports will be given an opportunity to serve in an advisory capacity to the TSA in the selection of a company.
 - ❑ The window to opt out in 2004 is November 19 through December 15. There will be another window in 2005.
 - ❑ Most airports seem to be adopting a “wait and see” approach.
 - ❑ A discussion followed concerning the advantages of opting out considering that the TSA would be controlling the contract personnel and the salaries would be the same. Mark Earle pointed out that the airport would still not have operational control over the screeners, existing screeners would have first priority for the new jobs (so those about whom there have been complaints would still be there), there is no economic relief because the contract screeners must be compensated at least as much as the TSA employees, and the question of liability has not been determined. Congress will probably determine the latter. Some of the very large airports that have extra cash would be able to add screeners, and that is a clear advantage. They still wouldn’t control them, but there would be more of them. He also noted, however, that most of the issues that the Airport runs into do not have to do with how many screeners there are, but rather how they treated the passengers. One of the commissioners noted that in his travels during the last month he had been more pleased with his

experiences with the screeners at the Colorado Springs Airport. The Airport has a series of conference calls scheduled over the next few weeks to explore the issue. If we had to make a decision today, Mark Earle said that we would have to decide to wait until the second window of opportunity because the advantages of opting out are not clear. Larry Bruno echoed that the question of liability is a major issue and also said that this program will continue to be debated.

- ❑ Another discussion followed concerning the personnel who check identification and boarding passes. These are not TSA personnel in accordance with the original arrangement, which stated that the TSA would be responsible only for screening. United Airlines holds the Huntleigh contract. One of the commissioners noted that sometimes the identification station, not the screening station, is the holdup. Larry Bruno said he had met and would be meeting again with United Airlines concerning the timing of the manning at that post.
- ❑ A commissioner asked about the status of the preferred passenger program. Larry Bruno said that the program is under review and currently being tested.
- ❑ Mark Earle distributed an article discussing airport relationships with the TSA. In general, what is making it work is the relationship with the local Federal Security Directors.
- ◆ Equipment to check passengers' shoes
 - ❑ At the last meeting, the Airport was asked to research a box that has been seen in use at other airports that allows passengers not to have to remove shoes for inspection. John McGinley discussed two concerns with that piece of equipment. The first is space, which could be overcome. The second, however, is that metal is not the only issue when shoes are being inspected, so it's not as simple as it appears. Larry Bruno said that he could not go into detail on the question of what screeners are looking for due to security, but he could say that the TSA profiles shoes also, and that the X-ray can show items of interest that the metal detector would miss.
 - ❑ A commissioner asked Larry Bruno about the inconsistencies in the application of the security directives from airport to airport. Larry responded that his people at the Colorado Springs Airport are implementing the directives as required by TSA headquarters. He could not, of course, speak for other airports, but he acknowledged that the TSA hasn't yet reached the desired level of consistency. A commissioner asked Larry if he could perhaps put a positive spin on the shoe issue by saying what would be good to wear. For security reasons, Larry refrained from giving hints on what would get a passenger through security easily.
- ◆ "In Their Honor" Air show
 - ❑ The organizers of the air show were pleased with the event. There were about 6500 attendees on Saturday and 6000 on Sunday.
 - ❑ The airfield operated under a waiver for four hours each day. The west side was for air show activity only, and the east side was open for air carrier traffic. Everything went smoothly and there were no complaints from the airlines.
 - ❑ The Airport will be discussing the 2005 air show in the next coming months. The organizers and Peterson Air Force Base are pushing for a jet team. A performance by

the Thunderbirds or a similar team would have to be between air carriers. Mark Earle said that Peterson Air Force Base is looking at the potential for an open house. If they want to do that, the Airport will work with them. The major issues are the impact on air carriers and vehicle traffic. Normally such open houses are staffed and operated by the Air Force, not by a commercial organizer. The Air Traffic Control personnel need to be fully on board.

- ❑ Commissioner Breckner wondered if there is an airport size beyond which it is not feasible to do jet shows. Mark Earle said that the issue is not so much the size of the airport as the capacity and cooperation of the air traffic control system. Our runway configuration at Colorado Springs Airport lends itself well to air shows because you can almost run an air show independently of the activity on the commercial side. With a military air show, it's more of a challenge because Runway 12/30 intersects both runways. A commissioner mentioned that the tower has improved in the last few years.

➔ **Director's Report- Mark Earle**

- ◆ The Rural Transportation Authority (RTA) endorsement letter requested by Mark Entrekin at the last meeting was reviewed by the commissioners. They all agreed to it, and Ken Chalfant signed it on behalf of the Airport Advisory Commission. He gave the letter to Mark Entrekin, who said that the RTA is going strongly and is moving well toward its \$640,000 donation goal. The list of projects identified by the RTA is on its web site. Fountain, Manitou Springs, and Green Mountain Falls have all joined the authority; Monument is going to wait to decide. The authority acquires new supporters on an almost daily basis.
- ◆ The question of commissioner term expirations was raised at the last meeting. On August 24, 2004, Ken Chalfant's and Steve Ducoff's terms expire. Both are eligible for another term, but have to write a letter to Marti Devine in the Mayor's office if interested in being reappointed. Election of the chair is internal to the committee and can't realistically be done until members know who is going to be on the Commission. Commissioners whose terms are expiring do not leave the board automatically when their expiration date comes. Unless they want to leave, they remain in place until a replacement is appointed or their own terms are renewed. Mark Earle recommended that we leave the present chair and vice chair in place until the membership is determined. Ken Chalfant said that the by-laws say that the election of the chair is scheduled for the October meeting. We will look into the background of that timing discrepancy. Mark Earle asked Ken Chalfant and Steve Ducoff to let him know when they have submitted their letters stating their interest in serving another term on the commission. As we understand it, the Council does not advertise for new member candidates unless there is an open chair.
- ◆ Mark Earle addressed the question of Commissioner travel that was brought up at the last meeting. Other advisory board members in Colorado Springs do travel as long as the trip directly supports the duties of board membership. He cautioned, however, that the City is very conservative when it comes to approving the funds for such travel. Each case is considered on its own merits. Mark asked the Commission members to let him know if there is a conference or meeting they feel they should attend.
- ◆ Mark said that during the construction projects at the Airport, the staff would be particularly aggressive about responding to complaints within 24 hours. We will be calling people back and perhaps following up with a letter rather than sending written responses

when they complain. We will generate news stories to let the public know how and why things will be changing at the Airport.

OTHER BUSINESS:

- ➔ Commissioner French asked about the Shriever Air Force Base request for restricted airspace. Mark Earle replied that it was back on the table and that the Airport had articulated its concerns to the Shriever AFB representatives who came to the Airport to discuss it. Airport staff also helped Shriever AFB phrase the application correctly. It does appear that they are going to press forward with their request for more restricted airspace than they presently have. It will probably be an environmental assessment matter. John McGinley said that what they have asked for is a one-mile radius about 200 feet higher than what they presently have (i.e. 1200 feet AGL). This is considerably smaller than their previous request.
- ➔ Commissioner French expressed a request to get an area chart on the same scale as the Terminal Area Chart in Denver. Mark Earle will see what is available. He also offered to brief airspace and how it works at the next meeting.
- ➔ John McGinley emphasized the need for quick feedback if anyone has problems with air traffic control. He also encouraged participation in the Airfield Operators' Group.
- ➔ Several commissioners expressed an interest in a tour of airfield and Peterson Air Force Base facilities, and Mark suggested that the Commission might like to meet at Peterson sometime.
- ➔ A discussion followed about who patrols Airport Road east of Powers. It is Airport Police, but they are a detachment of the Colorado Springs police with the same authority.
- ➔ Dave Nickerson thanked the commissioners for serving. It is an important commission that gets more important as the City moves in the direction of the Airport.

6. AIRPORT STAFF ACTION ITEM

- ➔ Check on the availability of an area chart.
- ➔ Look into the timing discrepancy between the end of commissioner terms and the new chair's election.
- ➔ The Airport will present a briefing on airspace issues around the Colorado Springs Airport.

Chairman Chalfant adjourned the meeting at 4:55 p.m.

Minutes respectfully submitted by:
Michele Golley, Senior Office Specialist